



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

April 15, 2013

Mr. Gary D. Goeke
Chief, Environmental Assessment Section
Leasing and Environment (MS 5410)
Bureau of Ocean Energy Management (BOEM)
1201 Elmwood Park Boulevard
New Orleans, LA 70133-2394

Subject: EPA NEPA Review Comments on BOEM's DEIS for "Gulf of Mexico Outer Continental Shelf (OCS) Oil and Gas Lease Sales: 2014-2016 Eastern Planning Area Lease Sales 225 and 226" CEQ #20130048

Dear Mr. Goeke:

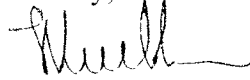
The U.S. Environmental Protection Agency (EPA) has reviewed the subject Bureau of Ocean Energy Management (BOEM) Draft Supplemental Environmental Impact Statement (DSEIS) in accordance with our responsibilities under Section 102(2)(C) of the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act. It is our understanding that BOEM proposes lease sales in the Gulf of Mexico (GOM) Outer Continental Shelf (OCS) for lease blocks in the Eastern Planning Area. The proposed action covers lease sales of blocks 225 and 226 in the Eastern Planning Area.

The EPA has participated in several recent NEPA reviews for BOEM actions, including reviews of the Draft Programmatic Environmental Impact Statement (PEIS) for the proposed 2012-2017 Outer Continental Shelf Oil and Gas Leasing Program and other EISs for lease sales in the CPA and WPA of the GOM OCS Region.

Based on our analysis of the above referenced proposed action, EPA rates this DEIS as **"EC-2" i.e., EPA has "Environmental Concerns and Request Additional Information"** in the Final EIS (FEIS). The EPA's rating system criteria can be found online at: <http://www.epa.gov/oecaerth/nepa/comments/ratings.html>. Our primary concerns associated with the proposed actions are related to potential impacts to air, coastal ecosystems, wetlands, mitigation, and impacts to environmental justice populations. Detailed comments are enclosed with this letter which more clearly identifies our concerns and comments. We request that the FEIS include specific responses to our comments.

EPA appreciates the opportunity to review the DEIS. Should BOEM have questions regarding our comments, please feel free to contact Dan Holliman of my staff at 404/562-9531 or holliman.daniel@epa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Mueller", with a long horizontal flourish extending to the right.

Heinz J. Mueller
Chief, NEPA Program Office
Office Environmental Accountability

**U.S. EPA DETAILED COMMENTS
ON THE DRAFT ENVIRONMENTAL IMPACT STATEMENT (DEIS) FOR THE U.S.
DEPARTMENT OF THE INTERIOR, BUREAU OF OCEAN ENERGY MANAGEMENT
(BOEM) GULF OF MEXICO OUTER CONTINENTAL SHELF (OCS) OIL AND GAS
LEASE SALES: 2014-2016 EASTERN PLANNING AREA LEASE SALES 225 & 226**

BACKGROUND:

The Draft Environmental Impact Statement (DEIS) was prepared by the U.S. Department of the Interior, Bureau of Ocean Energy Management (BOEM), Gulf of Mexico (GOM) Outer Continental Shelf (OCS) Region for lease areas in the Eastern Planning Area. A total of 2 lease sales are being proposed; blocks 225 and 226. EPA understands that the proposed lease sale for 225 is tentatively scheduled for 2014 and the proposed lease sale for 226 is tentatively scheduled for 2016. This EIS tiers from several previous BOEM EISs; the Five-Year Programmatic, the 2012-2017 WPA/CPA Multisale EIS, and other recent WPA/CPA EISs. EPA has provided review comments on all previous BOEM EISs in accordance with our responsibilities under Section 102(2)(C) of the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act.

ALTERNATIVES PROPOSED:

Alternatives for Proposed Eastern Planning Area Lease Sales 225 and 226¹

Alternative A—The Proposed Action: This is BOEM's preferred alternative. This alternative would offer for lease all unleased blocks within the proposed Eastern Planning Area lease sale area for oil and gas operations (**Figure 2-1**).

The proposed Eastern Planning Area lease sale area covers approximately 657,905 ac and includes those blocks previously included in the Eastern Planning Area Lease Sale 224 Area and a triangular-shaped area south of this area bordered by the CPA boundary on the west and the Military Mission Line (86°41' W. longitude) on the east. The area is south of eastern Alabama and western Florida; the nearest point of land is 125 mi (201 km) northwest in Louisiana. As of February 2013, approximately 465,200 ac of the proposed Eastern Planning Area lease sale area are currently unleased. The estimated amount of natural resources projected to be developed as a result of a proposed Eastern Planning Area lease sale is 0 0.071 BBO and 0-0.162 Tcf of gas.

Alternative B—No Action: This alternative is the cancellation of a proposed Eastern Planning Area lease sale. If this alternative is chosen, the opportunity for development of the estimated 0-0.071 BBO and 0-0.162 Tcf of gas that could have resulted from a proposed Eastern Planning Area lease sale would be precluded or postponed. Any potential environmental impacts resulting from a proposed Eastern Planning Area lease sale would not occur or would be postponed to a future lease sale decision. This is also analyzed in the EIS for the Five-Year Program on a nationwide programmatic level.

¹ Alternatives section cited directly from p. 2-4 in DEIS

EPA COMMENTS:

ALTERNATIVES

EPA understands that the BOEM NEPA analysis for lease sales 225 and 226 only analyzes two alternatives, Alternative A – the proposed action and Alternative B – the No Action alternative. Typically, BOEM includes additional alternatives in their NEPA documents, including an alternative that defers blocks based on the proximity or presence of biologically sensitive features or for other programmatic reasons. EPA understands that BOEM has determined that such alternatives are not reasonable for this proposed lease sale in the Eastern Planning Area because there are no known blocks to exclude due to proximity to or presence of biologically sensitive features and due to the fact that the proposed lease sale area is such a small area for leasing in relation to typical BOEM lease sales.² EPA finds BOEM's strategy on limiting the alternatives reasonable considering that scoping did not identify any additional reasonable alternatives. EPA assumes that a more detailed site specific analysis is forthcoming at the lease block level, as the lease sale process proceeds. EPA also assumes that this site specific analysis would identify the presence of biologically sensitive features, and if these areas are identified, appropriate mitigation measures would be implemented.

AIR

The EPA is responsible for ensuring compliance with the National Ambient Air Quality Standards (NAAQS) in the Gulf States of Texas, Louisiana, Mississippi, Alabama and Florida. In addition, EPA Region 4 is responsible for implementing and enforcing Clean Air Act (CAA) requirements for OCS sources offshore the state seaward boundaries of all areas of the Gulf of Mexico (GOM) east of 87°30" (*see* CAA section 328). Pursuant to the CAA and applicable federal regulations (*see* 40 CFR 55), OCS activities, such as exploratory drilling operations and production platforms are subject to the EPA requirements to obtain air quality preconstruction and operating permits.

Section 4.1.1.1 (including Appendix G – Air Quality)

- Section 4 and Appendix G identify and quantify, respectively, the pollutants released from this proposed action.

Recommendation:

EPA recommends that these sections also discuss potential impacts from hazardous air pollutants (HAPs) that may be released.

- Section 4.1.1.1 Air Quality indicates that BOEM examined the analysis of air quality presented in the Central Planning Area (CPA) chapters of the 2012-2017 WPA/CPA Multi-sale EIS and the 2013-2014 WPA/CPA Supplemental EIS (WPA/CPA Supplemental EIS) with consideration of the additional information provided in this Draft

² Summarized from p. 2-4 – Section 2.2

EIS for Gulf of Mexico OCS Oil and Gas Proposed Eastern Planning Area Lease Sales 225 and 226, and found no new significant information that would alter the impact conclusions for air quality presented in the CPA chapters of these documents. BOEM thereby incorporated by reference these previous EIS studies as applicable to the Eastern Planning Area for the proposed Lease Sales 225 and 226. In addition to stating the CPA air quality impact conclusions provided in the previous EIS documents are applicable to the Eastern Planning Area, review of the air quality impact portions of this current DEIS confirms that, BOEM used the same procedures, information, and modeling techniques that were used in the in WPA/CPA EIS documents that were incorporated by reference.

- EPA Region 4 reviewed the previous EIS documents for the WPA and CPA and provided substantial review comments associated with the air quality impact analyses and conclusions. The incorporation of these previous EIS documents as applicable to the Eastern Planning Area and apparent use of these same procedures, information, and modeling techniques in this DEIS, make our previously provided review comments applicable to this proposed action. Therefore, we note that our previously provided comments and recommendations are applicable to the Eastern Planning Area DEIS.

Recommendation:

EPA would be pleased to review and discuss these comments and recommendations with the BOEM in the context of the DEIS and proposed action.

Section 4.1.1.1.1 Description of the Affected Environment

- Page 4-8 discusses the FWS concern that the SO₂ increments for the Chassahowitzka Wilderness Area have been exceeded and indicates that “the proposed activity takes place outside of the Eastern Planning Area’s PSD Class I areas and should not affect the increment.” Page 4-8.
- Although activities in the Eastern Planning Area take place outside of the Class I area, they may affect the air quality onshore. Class I area analyses are not limited to facilities within the Class I area, but rather, look at impacts upon the Class I area. It is not clear from this discussion if the proposed activity will affect the Class I increment, nor can this reasonably be determined for this location without modeling. Given that Appendix G states that the impacts to the Chassahowitzka National Wildlife Refuge were not modeled, (in addition the impact to St. Marks and Bradwell Bay Class I areas) page G-4,

Recommendation:

EPA recommends that the DEIS not infer that any proposed activity will not impact the referenced Class I areas.

Section 4.1.1.1.2 General Conformity

- This section includes a discussion on General Conformity indicating that it applies to emissions within nonattainment areas and only to OCS related emissions that occur within state waters.³

Recommendation:

EPA recommends that this discussion be revised to more accurately reflect that General Conformity also applies to maintenance areas and to areas with 25 miles of the state's seaward boundary. In the case of Florida, this would mean out to 38 nautical miles from shore.

Section 4.1.1.1.2 Background /Introduction

- Carbon monoxide (CO), particulate matter (PM), particulate matter with an aerodynamic diameter less than 10 microns (PM₁₀), particulate matter with an aerodynamic diameter less than 2.5 microns (PM_{2.5}) emissions are not discussed in this section, but are generated from routine events in the Eastern Planning Area. PM in particular is a pollutant of significant concern for Class I area impacts, including visibility impairment, as well as human health effects, and can be transported from the Eastern Planning Area to shore.

Recommendation:

EPA recommends that PM emissions be included in the discussion of routine impacts.

- This section contains a lengthy description on flaring; however, impacts from other routine events are not described. In addition to flaring, an OCS source will engage in a range of activities associated with drilling that will also emit pollutants.

Recommendation:

EPA recommends that this section discuss these routine events. In addition, EPA recommends that monitoring and mitigation measures should be discussed from all such activities that the source will engage in, including emerging control technologies that could reduce emissions.

WETLANDS AND COASTAL AREAS

It is projected in the DEIS that a small length of onshore pipelines will be needed, no new onshore facilities, and minimal contribution to the need for maintenance dredging for the proposed action, thus, BOEM projects impacts to wetlands to be minimal.⁴ EPA remains

³ see page 4-11 of DEIS

⁴ p. xi of the DEIS

concerned about the potential for cumulative impacts on near shore wetlands and coastal areas. Coastal wetland systems are very sensitive systems that are increasingly stressed from all types of anthropogenic activities (coastal development, maintenance dredging of channels, oil spills, etc) in addition to natural events (hurricanes). In addition, stresses on these systems are predicted to increase with climate change and sea level rise.

Recommendation:

EPA recommends that BOEM better quantify in the FEIS historical wetland losses for coastal areas in the Eastern Planning Area and the current status of these systems. Even though BOEM predicts minimal impacts associated with this proposed action on wetlands and coastal systems in the Eastern Planning Area, the historical cumulative impacts on these systems have been significant and should be disclosed.

ENVIRONMENTAL JUSTICE

The federal action proposed under this DEIS has the potential to impact EJ communities negatively and positively. The potential negative impacts on EJ communities involve oil spills that negatively impact communities that rely on commercial and recreational fishing, oystering, and subsistence fishing. Other negative impacts are associated with the oil-related infrastructure and its impact on minority and low-income communities. The infrastructure support system for oil- and gas-related industries in the GOM is highly developed, widespread, and has operated for decades within a heterogeneous GOM population. The potential positive impacts associated with the proposed action include increases in economic activity and job creation in these same communities. EPA supports the efforts made by BOEM to conduct subsistence research in an effort to document the potential impact on these communities.

Recommendation:

EPA recommends BOEM include discussion of mitigation efforts in the FEIS that addresses impacts to these communities relating to subsistence fishing and oystering in the event of an oil spill. EPA also recommends that BOEM better define in the FEIS how minority and low-income communities that may be impacted by the proposed action have had opportunities to engage in the decision making process.

MITIGATION

EPA understands that BOEM projects that four lease stipulations will be proposed for this lease sale; the Protected Species Stipulation, Military Areas Stipulation, the Evacuation Stipulation, and the Coordination Stipulation. These stipulations will be described in the Final Notice of Sale and will be added to the lease terms and are enforceable as part of the lease.

It would be appropriate to include commitments to fully mitigate and/or compensate for all unavoidable losses of coastal resources, as well as for the physical, chemical, and biological functions and ecological services they provide. EPA understands that stipulations or mitigation

requirements to be included in the lease sale will be described in the Record of Decision (ROD) for that lease sale.⁵

Recommendation:

If not already included in lease sale RODs, EPA recommends including a statement of policy requiring that all leaseholders avoid, minimize, and fully mitigate unavoidable losses.

CONSULTATION AND COORDINATION

Chapter 1 under the section titled “Measures to Enhance Transparency and Effectiveness in the Leasing and Tiering Process” BOEM provides a description of a process that will improve the public’s ability to comment and provide information in the prelease sale planning process. EPA commends BOEM’s efforts to enhance the public’s opportunities in the permitting and NEPA process.

Chapter 5 provides a description of how the proposed actions were noticed to the public, tribes, and other agencies. EPA appreciates that BOEM included comments received from industry representatives and NGOs.

Recommendation:

EPA recommends that the FEIS include specific responses to comments received on the DEIS. EPA also recommends that BOEM’s responses to comments be included in a specific section of the FEIS.

Region 4 Contacts:

Dan Holliman – Region 4 NEPA Program Office – Holliman.Daniel@epa.gov

Kelly Fortin – Region 4 Air Division – Fortin.Kelly@epa.gov

Karrie-Jo Shell – Region 4 Water Protection Division (NPDES) – Shell.Karrie-Jo@epa.gov

Rosemary Hall – Region 4 Water Protection Division (Wetlands) – Hall.Rosemary@epa.gov

⁵ p. 2-5 of the DEIS